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83D CONGRESS
2d Session

SENATE

SUPPLEMENTAL REPORT

TO THE

REPORT ON THE STUDY OF THE RELATIONSHIP BETWEEN GOVERNMENT SALARIES AND THE NATIONAL CONSUMERS' PRICE INDEX OF THE BUREAU OF LABOR STATISTICS, 1939–1951

1950–1953

Printed for the use of the Committee on Post Office and Civil Service

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STUDY OF THE TREND OF GOVERNMENT SALARIES WITH THE TREND IN THE NATIONAL CONSUMERS' PRICE INDEX OF THE BUREAU OF LABOR STATISTICS, 1950–53

SEPTEMBER 1, 1953.

Hon. PHILIP YOUNG,
Chairman, United States Civil Service Commission,
Washington 25, D. C.

DEAR MR. YOUNG: Beginning with the new session of Congress in January 1954, it is anticipated that there will be numerous requests for increase in compensation for Federal employees based on the rising cost of living. Therefore, I should like to request that you prepare and furnish me with a report early in January 1954, if possible, showing the trend of Government salaries with the trend in the National Consumers' Price Index of the Bureau of Labor Statistics.

This report should cover the period beginning with June 30, 1950, and ending on December 31, 1953, which is a continuation of a study completed by the Commission in January 1951. It should be divided into two categories, one dealing specifically with postal employees and the other dealing with the remaining Federal employees. Particular emphasis should be placed on the current rise of the cost of living during this period and how it has affected the present level of Government salaries.

I shall appreciate your contacting the staff of the committee in working out the necessary details in connection with the furnishing of this report.

With best regards, I am,
Sincerely yours,

FRANK CARLSON,
Chairman, Post Office and Civil Service Committee.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington 25, D. C., September 8, 1953.

Hon. FRANK CARLSON,
Chairman, Committee on Post Office and Civil Service,
United States Senate, Washington 25, D. C.

DEAR SENATOR CARLSON: In the absence of the Chairman, I am replying to your letter of September 1, 1953, requesting that the Commission prepare and furnish you with a report early in January 1954 showing the trend of Government salaries with the trend in the National Consumers' Price Index of the Bureau of Labor Statistics.

We are glad to comply with your request. I shall see that contacts are made with the staff of the committee in working out the details to assure that the information needed will be contained in the report.

Sincerely yours,

JOHN W. MACY, Jr.,
Executive Director.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington 25, D. C., January 29, 1954.

Hon. FRANK CARLSON,
United States Senate.

DEAR SENATOR CARLSON: This report is in further reply to your letter, dated September 1, 1953, which was acknowledged in my absence by Mr. Macy's letter dated September 8.

The report prepared for you in January 1951 by the Civil Service Commission and supplemented by our letter, dated January 19, 1953, covered only employees subject to the Classification Act of 1949, as amended. This report brings the information for these employees up to date. In addition, similar information is supplied for postal and wage board employees.

Inasmuch as pay rates of the wage board employees are adjusted from time to time to conform to rates in private industry, they may be assumed to reflect changes in the cost of living as well as other factors in the economy which influence wage rates.

Four tables which show changes in Federal salaries since 1950 are attached. Table 1 shows the changes which have occurred in arithmetic average salary rates for each pay-method group of full-time Federal employees in the continental United States between June 30, 1950, and June 30, 1953, and the change in the Consumers Price Index during the same period.

Tables 2 and 3 show the increase in entrance rates for each of the Classification Act grades since 1950 and table 4 shows the change for selected postal positions.

Since June 1953 the Consumers Price Index increased to 115.4 by October and then declined to 115 in November, making the index 13.4 percent and 13 percent higher on those dates, respectively, than it was in June 1950. For all Classification Act grades except GS-1 and CPC-1 through 3, the increase in the Consumers Price Index has exceeded the increase in the entrance pay rate. Entrance rates for the higher paid postal positions have also increased less than the change in the cost of living.

Sincerely,

PHILIP YOUNG, *Chairman.*

TABLE I.—*Changes in arithmetic average salaries of full-time Federal employees, continental United States, and in the Consumers Price Index, 1950–53*

	June 30, 1950	June 30, 1951	June 30, 1952	June 30, 1953
Classification Act of 1949:				
Rate	[1] $3,667	$3,596	$4,039	$4,140
Increase since 1950:				
Amount		[2] $71	$372	$473
Percent		[2] 1.9	10.1	12.9
Postal Pay Act:				
Regular employees only:				
Rate	[1] $3,488	$3,523	$4,003	$4,030
Increase since 1950:				
Amount		$35	$515	$542
Percent		1.0	14.8	15.5
Regular and full-time substitute employees:				
Rate	[3] $3,389	$3,444	$3,890	$3,918
Increase since 1950:				
Amount		$55	$501	$529
Percent		1.6	14.8	15.6
Wage board:				
Rate	[1] $3,133	$3,245	$3,471	$3,866
Increase since 1950:				
Amount		$112	$338	$733
Percent		3.6	10.8	23.4
Consumers Price Index (1947–49=100):				
Index	[4] 101.8	110.8	113.4	114.5
Increase since 1950:				
Points		9.0	11.6	12.7
Percent		8.8	11.4	12.5

[1] Quoted from Pay Structure of the Federal Civil Service, U. S. Civil Service Commission.
[2] Decrease.
[3] Data supplied by the Post Office Department.
[4] Published by the Bureau of Labor Statistics.

TABLE II.—*Changes in entrance rates for Classification Act grades since June 1950*

GENERAL SCHEDULE

Grade	Entrance salary		Increase	
	November 1953	June 1950	Amount	Percent
GS–1	$2,500	$2,200	$300	13.6
GS–2	2,750	2,450	300	12.2
GS–3	2,950	2,650	300	11.3
GS–4	3,175	2,875	300	10.4
GS–5	3,410	3,100	310	10.0
GS–6	3,795	3,450	345	10.0
GS–7	4,205	3,825	380	9.9
GS–8	4,620	4,200	420	10.0
GS–9	5,060	4,600	460	10.0
GS–10	5,500	5,000	500	10.0
GS–11	5,940	5,400	540	10.0
GS–12	7,040	6,400	640	10.0
GS–13	8,360	7,600	760	10.0
GS–14	9,600	8,800	800	9.1
GS–15	10,800	10,000	800	8.0
GS–16	12,000	11,200	800	7.1
GS–17	13,000	12,200	800	6.6
GS–18	14,800	14,000	800	5.7

Source: U. S. Civil Service Commission.

TABLE III.—*Changes in entrance rates for crafts, protective, and custodial grades since June 1950*

Grade	Entrance salary		Increase	
	November 1953	June 1950	Amount	Percent
CPC-1	$1,810	$1,510	$300	19.9
CPC-2	2,420	2,120	300	14.2
CPC-3	2,552	2,252	300	13.3
CPC-4	2,750	2,450	300	12.2
CPC-5	2,974	2,674	300	11.2
CPC-6	3,200	2,900	300	10.3
CPC-7	3,435	3,125	310	9.9
CPC-8	3,740	3,400	340	10.0
CPC-9	4,150	3,775	375	9.9
CPC-10	4,565	4,150	415	10.0

Source: U. S. Civil Service Commission.

TABLE IV.—*Changes in entrance rates for selected postal service positions since June 1950*

Position	November 1953	June 1950	Increase	
			Amount	Percent
Postmasters in post offices with gross receipts of—				
$80,000,000 or more	$13,770	$12,970	$800	6.2
$75,000 to $89,999.99	5,670	4,870	800	16.4
$40,000 to $49,999.99	5,370	4,570	800	17.5
Inspector in charge	8,470	7,670	800	10.4
Inspector	4,970	4,170	800	19.2
Postal transportation clerks on class A runs	3,470	2,870	600	20.9
Clerks, carriers in city delivery service	3,270	2,670	600	22.5
Mail handlers	3,170	2,570	600	23.3
Special delivery messengers in post offices of the 1st class	3,170	2,570	600	23.3

Data supplied by the Post Office Department.